

MEMORANDUM

Agenda Item No. 8(A)(1)


TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: July 2, 2013

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution approving the First
Amendment to Aggregate
Extraction Agreement between
Miami-Dade County and the
Florida Department of
Transportation

The accompanying resolution was prepared by the Aviation Department and placed on the agenda at the request of Prime Sponsor Jose "Pepe" Diaz.



R. A. Cuevas, Jr.
County Attorney


RAC/lmp

Memorandum



Date: July 2, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: First Amendment to Aggregate Extraction Agreement with the Florida Department of Transportation

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) adopt the attached resolution approving the First Amendment to Aggregate Extraction Agreement between Miami-Dade County and the Florida Department of Transportation (Attachment A).

SCOPE

The former Opa-locka West General Aviation Airport (OPF-W) is located in Commission District 12 (Commissioner Diaz).

FISCAL IMPACT/FUNDING SOURCE

There is no fiscal impact associated with this Amendment.

TRACK RECORD/MONITOR

The Florida Department of Transportation (FDOT) has an excellent record of meeting both its financial and non-financial obligations to the County. Mr. Greg Owens, Director of the Real Estate Management and Development Division of the Miami-Dade Aviation Department (MDAD), will monitor this Agreement.

BACKGROUND

On December 4, 2007, the Board approved Resolution No. R-1294-07 (Attachment B) authorizing the County to enter into an Aggregate Extraction Agreement with FDOT to procure a rockmining contractor to extract limerock at OPF-W. Under the terms of this Agreement, FDOT will utilize its procurement process to procure a limerock extraction/sales company, assign the contract to the County, and manage the mining at OPF-W. The resulting mining operations will generate non-aeronautical revenues for MDAD, allowing it to minimize costs to airlines operating at Miami International Airport (MIA). FDOT will, in turn, be provided with a low-cost mine from which it could source construction aggregates for its projects.

In 2010, FDOT issued an Invitation to Negotiate in order to procure an extraction/sales company. Multiple potential proposers, including CEMEX and White Rock, protested various terms of that Invitation to Negotiate, suggesting they were either inconsistent with the Agreement or otherwise inconsistent with industry practice. In response to these concerns, FDOT, the County, and the industry held several meetings and ultimately agreed to resolve the issues by making changes to the Agreement. The changes are:

- 1) Section 1(C) of the Agreement currently requires FDOT to procure on a low-bid basis, precluding the use of an Invitation to Negotiate. The County concurs that an Invitation to Negotiate which would allow FDOT to consider factors other than price is

an appropriate procurement vehicle. The proposed Amendment removes this language from 1(C), thus authorizing use of an Invitation to Negotiate.

- 2) Section 1(D) currently requires FDOT to direct its contractors to make use of the OPF-W mine site. FDOT requested that this language be changed such that FDOT would encourage the use of OPF-W, but would not require its use due to liability concerns. The County concurs with this FDOT-requested change.
- 3) Section 4 currently states that the County will retain all revenues from the sale of rock from OPF-W net of the extraction/sales company's costs. After conversations with the industry, the County believes that there are significant expenses and risks associated with trying to track an extraction/sales company's costs. Therefore, the proposed Amendment authorizes FDOT and the County to negotiate the precise payment mechanism through the Invitation to Negotiate.
- 4) Section 5 specified a process for FDOT and the County to set a yearly extraction rate. The proposed Amendment deletes Section 5 since Section 2(C) of the Agreement states that the County, FDOT, and the extraction/sales company will agree to a yearly rate via the eventual contract.
- 5) Section 6 currently states that the limestone rock taken from OPF-W cannot be sold outside of Miami-Dade, Broward, and Monroe counties without the consent of the Board. The industry has argued that this will severely limit its ability to generate revenues from the OPF-W operation. The proposed Amendment thus requires the eventual extraction/sales company to make reasonable efforts to confine sales to those Counties and provides that the extraction/sales company must provide priority access to the materials to FDOT, the County, and the Miami-Dade Expressway Authority (MDX).
- 6) Section 7 of the Agreement requires the extraction/sales company to sell material from OPF-W to FDOT, MDX, or the County at a discount rate of 14.9% less than market prices. The industry has objected to this rate arguing that discounts are sensitive to broader market forces and may not always be available at that rate. The Amendment removes the specific discount, but authorizes the County, FDOT, and the recommended extraction/sales company to jointly negotiate an acceptable discount methodology to all parties.

The changes in the proposed Amendment will enhance the viability of mining operations at OPF-W and enhance potential non-aeronautical revenues from the site.



Jack Osterholt, Deputy Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: July 2, 2013

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(A)(1)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(A)(1)
7-2-13

RESOLUTION NO. _____

RESOLUTION APPROVING THE FIRST AMENDMENT
TO AGGREGATE EXTRACTION AGREEMENT
BETWEEN MIAMI-DADE COUNTY AND THE FLORIDA
DEPARTMENT OF TRANSPORTATION, AND
AUTHORIZING THE COUNTY MAYOR OR MAYOR'S
DESIGNEE TO EXECUTE THE ATTACHED
AMENDMENT AND ALL POWERS GRANTED THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference; and

WHEREAS, this Board adopted Resolution R-1294-07, which approved the Aggregate Extraction Agreement between Miami-Dade County and the Florida Department of Transportation ("the Agreement") for the marketing and sale of limerock extracted from the County's former Opa-locka West General Aviation Airport; and

WHEREAS, the parties to the Agreement wish to modify certain terms thereof, in order to ensure that Agreement best generates revenue for the Miami-Dade Aviation Department and generates a steady supply of aggregate for FDOT; and

WHEREAS, the changes to Section 1(c) of the Agreement will allow for use of a Request for Proposals or an Invitation to Negotiate instead of requiring that the project be awarded through an Invitation to Bid; and

WHEREAS, the change to Section 1(d) of the Agreement provide FDOT with greater flexibility with its contractors making use of the mine; and

WHEREAS, the change to Section 4 of the Agreement allows the County and FDOT greater flexibility to negotiate, prior to entering into the contract with the proposed extraction/sales company, the payments which will flow back to the County; and

WHEREAS, the change to Section 5 of the Agreement allows Section 2(C) to solely authorize the parties to maintain annual production quotas; and

WHEREAS, the change to Section 6 of the Agreement provides a priority right to purchase material for the County, the Miami-Dade Expressway Authority, and FDOT, but allows for sales to other parties, thus ensuring that revenue is maximized; and

WHEREAS, the change to Section 7 of the Agreement creates greater flexibility to negotiate, prior to entering into the contract with the proposed extraction/sales company, the discount rate on sales to the County or FDOT,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby authorizes the First Amendment to the Aggregate Extraction Agreement between Miami-Dade County and the Florida Department of Transportation, in substantially the form attached hereto; and authorizes the County Mayor or Mayor's designee to execute same and to exercise the terms thereof, including renewal, termination or cancellation provisions.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman

Lynda Bell, Vice Chair

Bruno A. Barreiro

Jose "Pepe" Diaz

Sally A. Heyman

Jean Monestime

Sen. Javier D. Souto

Juan C. Zapata

Esteban L. Bovo, Jr.

Audrey M. Edmonson

Barbara J. Jordan

Dennis C. Moss

Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of day of July, 2013. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

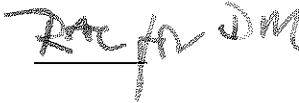
MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

David M. Murray



FIRST AMENDMENT TO AGGREGATE EXTRACTION AGREEMENT

BETWEEN

MIAMI-DADE COUNTY

AND

THE FLORIDA DEPARTMENT OF TRANSPORTATION

This First Amendment to the Aggregate Extraction Agreement between Miami-Dade County ("the County") and the Florida Department of Transportation ("FDOT") is entered into on this ____ day of _____, 2013, and is effective upon execution by FDOT and approval by the County's Board of County Commissioners, unless vetoed.

WHEREAS, the County and FDOT have entered into an Aggregate Extraction Agreement ("the Agreement") for the purposes of procuring and managing a third party extraction/sales company who will mine the Opa-locka West Airport property ("the Property") owned by the County, and

WHEREAS, pursuant to the Agreement, FDOT is responsible for procuring such third party extraction/sales company; and

WHEREAS, FDOT, with the approval of the County, has solicited for such extraction/sales company; and

WHEREAS, conversations by and between the County, FDOT, and the industry have revealed various improvements to the Agreement which make mining of the Property more economically viable, and thus more likely to generate returns to the County and provide a source of aggregate for FDOT and other projects; and

WHEREAS, to effectuate these improvements, various alterations to the terms of the Agreement are necessary,

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. The Agreement shall be amended such that
 - a) Section 1 of the Agreement is amended as follows:
 - i. The second sentence of Paragraph 1(C) is deleted.
 - ii. Section 1(d) is revised to read:

"FDOT shall encourage its contractors, on select contracts, to secure limestone from OPF-West, when it is in the best interests of the State and the cost of limestone in place at the project location is competitive with other commercially available sources."

- b) Section 4 of the Agreement is deleted as written, and replaced with:

Section 4 COMPENSATION TO THE COUNTY:

Compensation to the County shall be in the manner provided for in the solicitation documents. The County and FDOT shall jointly agree on the manner of compensation prior to issuance of the solicitation documents.

- c) Section 5 of the Agreement is deleted.
- d) Section 6 of the Agreement is deleted as written, and replaced with:

Section 6 PERMITTED CUSTOMERS:

The Solicitation Documents shall provide that, at whatever point FDOT, the Miami-Dade Expressway Authority ("MDX"), or the County places an order with the extraction/sales company, the FDOT, MDX or Miami-Dade will have rights to materials needed to fill the order from un-sold materials on the ground and from the full production stream until the order is filled. In the event that FDOT, MDX, or Miami-Dade do not make use of un-sold materials on the ground or from the full production stream, the extraction/sales company may sell such materials to third parties, but shall use commercially reasonable efforts to ensure that such materials are sold to third parties intending to use such materials in either Miami-Dade, Broward, or Monroe counties; however, in the event no such third party orders any materials for use in Miami-Dade, Broward, or Monroe counties, the extraction/sales company may sell such materials to any third party without restriction.

- e) Section 7 of the Agreement is deleted, and replaced with:

Section 7 SELLING PRICE OF ROCK TO FDOT AND THE COUNTY:

Prior to execution of any contract with any extraction/sales company who has been recommended for award of a contract to mine the property, the County and FDOT will jointly negotiate a method to provide a project by project volume discount price on construction aggregates used on FDOT and County projects which is acceptable to the County, FDOT, and the recommended extraction/sales company; in the event that a discount cannot be successfully negotiated, FDOT and the County agree that no contract may be executed with such extraction/sales company, and the FDOT and the County may mutually agree to negotiate with other entities on comparable terms.

2. Unless expressly modified herein, all terms, conditions, rights, and obligations as set forth in the Agreement remain in full force and effect. Nothing herein is intended to

modify any term, condition, right, or obligation of the Agreement except as expressly set forth herein.

3. There are no third party beneficiaries of this Amendment or of the Agreement.

In witness hereof, the parties have executed this First Amendment to the Aggregate Extraction Agreement between Miami-Dade County and The Florida Department of Transportation.

MIAMI-DADE COUNTY

FLORIDA DEPARTMENT OF
TRANSPORTATION

By:_____

By:_____

ATTEST:

ATTEST:

Harvey Ruvin, Clerk

Deputy Clerk

Memorandum COUNTY

Date: December 4, 2007

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

Amended
Agenda Item No. 8(A)(1)(C)

From: George M. Burgess
County Manager

Subject: Resolution approving an Aggregate Extraction Agreement between the Florida Department of Transportation (FDOT) and Miami-Dade County on 422 acres of undeveloped land formally known as Opa-locka West General Aviation Airport; Recommending waiver of competitive bids in regard to such Agreement

R#1294-07

Recommendation

It is recommended that the Board waive competitive bids under Section 5.03(D) of the Home Rule Charter and approve the attached Aggregate Extraction Agreement with the Florida Department of Transportation (FDOT) for the approximately 422 acres of undeveloped land formerly known as Opa-locka West General Aviation Airport. The term of the contract is for 10 years with two five-year options for renewal at the discretion of FDOT and MDAD.

Scope

The former Opa-locka West General Aviation Airport is located primarily within Commission District Twelve. However, the impact of this agenda item is countywide in nature as this site is a regional asset.

Under this Agreement, FDOT shall act as Manager for the purpose of mining limestone rock on the aforementioned 422 acres, to include assisting the County to secure and retain all necessary federal, state and County permits; assisting the County to secure an extraction/sales company to mine and sell the limestone; and assisting the County to market the limestone.

The limestone rock taken from OPF-West shall be sold in accordance with the following priorities: (1) To customers for use of the limestone rock for FDOT, MDX, or County projects in Miami-Dade County; (2) to customers for use of the limestone rock for FDOT or MDX projects in the State of Florida; and (3) to other customers. FDOT shall oversee the allocations of limestone rock to assure such allocations are in reasonable accordance with this priority. (MDX is included due to the fact that their projects have the potential of becoming a large volume user and their projects benefit Miami-Dade County.)

Fiscal Impact/Funding Source

This is a revenue-generating item. The net revenue ranges from a conservative estimate of \$246.5 million over 24 years, to a more aggressive estimate of \$473.2 million over 19 years. FDOT receives no management fee, but instead will receive along with MDX and the County, a volume discount for its contractors. Several safeguards will be utilized by the mine operator and the end users to ensure that the rock is delivered to its designated project. Volume discounts, generally ranging from 10 to 15 percent, are customary in the industry for large-volume buyers, with the high end being offered to an inter-related business of the mining company. The initial discount under this agreement will be 14.9 percent. MDAD and FDOT may re-negotiate this 14.9 percent discount if industry practice, driven by a major shift in market conditions, should change.

The per ton price of the rock will be established twice a year on January 1st and July 1st by FDOT and approved by the County. At that time, MDAD will notify user departments of the per tone price of the rock. If there are major fluctuations in the market prices, FDOT may recommend that the price be adjusted more frequently, subject to the County's approval.

MDAD is requesting to reimburse FDOT \$74,666.00 for an expense FDOT incurred for including OPF-West in the then on-going Supplemental Environmental Impact Study (SEIS) addressing rock mining in the Lake Belt Area. It was much less expensive to include them in the on-going study as opposed to conducting a stand alone-study for OPF-West. The Draft SEIS was issued in October 2007 and the Final Environmental Impact Study is expected to be issued in February 2008.

Contract/Project Monitor

FDOT has had an excellent track record of meeting both its financial and non-financial obligations with the County. The Miami-Dade Aviation Department (MDAD) and FDOT are currently collaborating on a number of other ventures to enhance the operations at Miami International Airport (MIA). They include the Miami Intermodal Center (MIC), the Rental Car Facility (RCF), widening of LeJeune Road, and the 25th Street viaduct in support of air cargo operations.

This agreement with FDOT is being recommended for the following key reasons:

- 1) FDOT's demonstrated vast knowledge of the rock mining industry
- 2) Ability to market the sale of aggregate to FDOT's large pool of contractors
- 3) FDOT's unique capability to secure the required rock mining permits
- 4) The absence of a payment to FDOT for its role.

Miguel Southwell, MDAD Assistant Aviation Director, will monitor this Agreement.

Background

As a result of population growth, there has been a rapid increase in the demand for limestone aggregate, which is an essential component in building homes and maintaining and constructing roads. A major source of that demand is FDOT through its contractors that purchase aggregate in large volumes for the maintenance and construction of roads throughout the State of Florida. Much of that construction takes place in Miami-Dade County.

This rise in demand has resulted in an escalation in the price of aggregate, approximately doubling in the past five years. This price hike may further be exacerbated by the recent challenge against certain existing mining permits; including mines located in the County's Lake Belt area. Concerned over the continuous and rapid rise in the cost of aggregate for its use in road construction projects, FDOT is interested in finding additional sources of aggregate.

Separately, MDAD is facing a financial crisis and, between now and the year 2015, must increase its annual revenue from what is now approximately \$600 million per year to \$1.1 billion. Airlines operating at MIA are legally obligated to cover the portion of the cost to operate MIA and the County's five general aviation airports that is not covered by revenues collected from concessionaires and other non-airline sources. Already, MIA's incumbent and potential new airlines cite the high cost of operating at MIA as a hindrance to growing or initiating service at the Airport. Therefore, there is a crucial need for new sources of non-airline revenue. The mining of limestone at Opa-locka West offers a major opportunity to grow such revenue.

Opa-locka West opened in April 1970. The Airport is located north of the Lake belt area. It was used for touch-and-go training and consists of two 3,000-foot runways with turnarounds at the ends and a small ramp area to park aircraft. There were no based-aircraft or storage facilities at Opa-locka West. Given the low level of activity at Opa-locka West, the Airport was decommissioned in 2006.

It is estimated that 44.6 to 50.4 million tons of limestone exists beneath the surface of the property. This agreement between MDAD and FDOT will provide synergistic results to generate crucially needed non-airline revenue to MDAD, and provide another vital source of aggregate for FDOT, which has the vast experience with the rock mining industry.

Because of the importance of selecting FDOT to serve as managing agent for the rock mining activities at the former Opa-locka West airport, it is recommended that the Board waive competitive bids so that the agreement selecting FDOT as the managing agent may be approved by the Board, such approval being in the best interest of the County.

Section 709 of the 2002 Amended and Restated Trust Agreement applicable to Aviation Revenue Bonds permits the sale or disposal of Port Authority Properties. Section 709 further provides that the proceeds of such sale "shall be deposited to the credit of the Redemption Account in the Sinking Fund, the Reserve Maintenance Fund or the Revenue Fund as the Board shall by resolution determine." The attached resolution provides for the deposit of the rock mining proceeds to the credit of the Revenue Fund.


Assistant County Manager

Approved _____ Mayor

Veto _____

Override _____

Amended

Agenda Item No. 8(A)(1)(C)

12-4-07

RESOLUTION NO. 1294-07

RESOLUTION APPROVING AGGREGATE EXTRACTION AGREEMENT BETWEEN MIAMI-DADE COUNTY AND THE FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) UNDER WHICH FDOT WILL SERVE AS THE MANAGING AGENT FOR ACQUIRING PERMITS, SELECTING A ROCK MINING CONTRACTOR, AND ASSISTING WITH THE MARKETING AND SALE OF LIMEROCK EXTRACTED FROM THE COUNTY'S FORMER OPA-LOCKA WEST GENERAL AVIATION AIRPORT; WAIVING COMPETITIVE BID PROCEDURES UNDER SECTION 5.03D OF THE HOME RULE CHARTER; AUTHORIZING MAYOR OR DESIGNEE TO EXECUTE SUCH AGREEMENT; AUTHORIZING THE MAYOR OR DESIGNEE TO EXERCISE THE TERMINATION PROVISIONS THEREOF; DESIGNATING THE ACCOUNTING FUND INTO WHICH THE PROCEEDS RECEIVED BY THE COUNTY UNDER SUCH AGREEMENT SHALL BE DEPOSITED

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby approves the attached Aggregate Extraction Agreement between Miami-Dade County and the Florida Department of Transportation (FDOT) under which FDOT will serve as the managing agent for acquiring extraction permits, selecting a rock mining contractor, and assisting in the marketing and sale of limerock extracted from the County's former Opa-locka West General Aviation Airport to customers of FDOT, the Miami-Dade County Expressway Authority (MDX), and the County first for projects in Miami-Dade County and second for projects in the tri-county area of Miami-Dade, Broward, or Monroe Counties; waives competitive bidding procedures under Section 5.03D of the County's Home Rule Charter, based upon the written

recommendation of the Manager and having found and determined by two-thirds vote of the members present that it is in the best interest of the County to waive competitive bidding for such agreement; authorizes the Mayor or designee to execute such Agreement; authorizes the Mayor or designee to exercise the termination provisions of such Agreement; and determines, as required by Section 709 of the Amended and Restated Trust Agreement of 2002 applicable to bonds issued by the County for its Airport System, that the proceeds received by the County under such Agreement shall be deposited by the Aviation Department into the Revenue Fund created under Section 502 of such Trust Agreement, but reserving to the County the right to make other determinations in the future as to where such funds shall be deposited.

The foregoing resolution was sponsored offered by Commissioner
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice-Chairwoman

Jose "Pepe" Diaz
Carlos A. Gimenez
Joe A. Martinez
Dorrin D. Rolle
Katy Sorenson
Sen. Javier D. Souto

Audrey M. Edmonson
Sally A. Heyman
Dennis C. Moss
Natacha Seijas
Rebeca Sosa

The Chairperson thereupon declared the resolution duly passed and adopted this 4th day of December, 2007. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

T.P.A.

Thomas P. Abbott

AGGREGATE EXTRACTION AGREEMENT

BETWEEN

MIAMI-DADE COUNTY

AND

THE STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

THIS AGREEMENT is entered into this _____ day of _____, 2007, by and between Miami-Dade County ("County") and the State of Florida, Department of Transportation ("FDOT"),

WHEREAS, the County owns a parcel of land in Miami-Dade County consisting of approximately 422 acres of undeveloped land that was formerly used as a General Aviation Reliever Airport known as Opa-locka West General Aviation Airport (such parcel, for purposes of this Agreement, being known as "OPF-West"); and

WHEREAS, OPF-West has a considerable amount of limestone on its premises and the County has discontinued the use of OPF-West as a General Aviation Reliever Airport; and

WHEREAS, the FDOT is responsible for constructing highways and other transportation projects for the benefit of the traveling public, and requires a considerable amount of limestone to be used in conjunction with such projects; and

WHEREAS, the parties desire to enter into this Agreement to reflect the role FDOT will play in MDAD's efforts to (a) obtain all permits necessary for the limestone mining operation, (b) take appropriate and suitable steps to secure such permits and not cause a premature cancellation thereof by the issuing agency, (c) find a suitable extraction company, and (d) market and sell the limestone under optimal conditions from year to year;

NOW THEREFORE, in consideration of the premises and of the promises and other consideration provided herein, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

1. FDOT'S ROLE.

(A) FDOT shall act as the Manager for the purpose of securing an extraction/sales company and overall monitoring of the extraction process with particular emphasis upon quality control and the achievement of production targets. In this capacity, FDOT shall serve as an independent contractor and not as a partner, joint venture partner, principal, or agent of or with the County.

(B) FDOT shall assist MDAD with any and all permit applications forms and other documents by which the County will obtain all applicable federal, state, and County approval to engage in limestone mining at OPF-West. FDOT agrees to add its signature to all such applications and documents, or, if the parties agree that a single signature is appropriate, FDOT agrees that it will sign the applications and documents to the extent authorized or required by the particular permitting authority. FDOT will stay in close contact with MDAD personnel during the permit application phase so that the permits are obtained at the optimal timing and under the optimal conditions.

(C) FDOT agrees to use competitive solicitation pursuant to Florida Law to select the extraction company in order to assure reasonable extraction fees. The selection shall be based upon the lowest extraction cost per ton submitted by a responsible bidder. The Aviation Director or his designee shall participate in the selection process. Upon award and execution of the extraction/sales contract FDOT shall assign the contract to MDAD.

(D) FDOT shall direct its contractors, on select contracts, to secure limestone from OPF-West when it is in the best interest of the state and the cost of the limestone in-place at the project location is competitive with other commercially available sources.

(E) FDOT shall maintain records pertinent to its oversight of the extraction/sales company and shall include in its solicitation documents the requirement that the extraction/sales company maintain sufficient and appropriate records reflecting the extraction operations and the sales made, and make such records available to both FDOT and the County at all reasonable times. For FDOT's own reports, the County shall be entitled to inspect all FDOT and extraction/sales company reports, as related to this Agreement, at reasonable times. FDOT shall provide periodic reports of the operations, not less frequently than quarterly, and shall provide annual summaries not later than October 30 of each year.

2. EXTRACTION/SALES COMPANY'S ROLE.

(A) The extraction/sales company shall be exclusively responsible for determining, collecting, and remitting (a) the amount of Florida sales taxes to be collected on all sales hereunder, in the event the sales transactions are not exempt from sales taxes, (b) all other federal, state, or local taxes or fees applicable to sales transactions hereunder, and (c) all State imposed mitigation fees hereunder.

(B) The extraction/sales company shall employ customary and reasonable terms and conditions of sales of limestone rock that are consistent with sound business practices prevailing in the industry.

(C) The extraction/sales company shall, consistent with sound mining practices, maintain annual production quotas established by FDOT, MDAD and the company, and adhere to FDOT's quality control and quality assurance procedures as set forth in Standard Specs, Aggregate Manuals, etc.

3. TERM. The term of this Agreement shall be for ten (10) years, with two (2) five (5) year extension options at the discretion of the FDOT and MDAD.

4. COMPENSATION TO THE COUNTY. The net amount of each sale that remains after deducting extraction costs, sales taxes, and other taxes and fees shall be remitted daily to the County by the extraction company, or within a period otherwise agreed upon by MDAD and the extraction company.

5. EXTRACTION RATE. The parties shall determine on an annual basis, during the month of July, the estimated amount of limestone rock that will be extracted during each fiscal year of the County (October 1 through September 30) for the duration of this Agreement. The rate of extraction will be at a reasonable level, consistent with the production quotas established in Section 2(C), prudent mining practices, and in consideration of the quality of life of the residents, commercial interests in the area, and the environment.

6. PERMITTED CUSTOMERS. The limestone rock taken from OPF-West shall be sold in accordance with the following priorities: (1) To customers for use of the limestone rock for FDOT, MDX, or County projects in Miami-Dade County and (2) to customers for use of the limestone rock for FDOT or MDX projects in the tri-county area consisting of Miami-Dade County, Broward County, and Monroe County. Unless approved by the Board of County Commissioners of Miami-Dade County, the rock may not be sold to any customers other than those involved in FDOT, MDX, or County projects and such projects must be located on a first priority in Miami-Dade County and on a second priority in the tri-county area of Miami-Dade, Broward, or Monroe Counties. FDOT shall oversee the allocations of limestone rock to assure such allocations are in reasonable accordance with the priorities set forth in this paragraph.

7. SELLING PRICE OF ROCK:

(A) The selling price for all limestone shall be at the cash price at the time of each sale or a preferred price as may be justified and customary for a large volume of rock being purchased by a single customer or its contractors. In consideration of their commitment to utilize each year from OPF-West, large volumes of rock required for their substantial annual work programs, FDOT, MDX and the County shall be considered "preferred" customers. As a "preferred" customer, FDOT, MDX and the County, through their contractors when working on, and for use in, FDOT, MDX and County projects only, shall receive such customary industry preferred rates currently equaling 14.9 percent discount of the cash price. MDAD and FDOT may re-negotiate this

14.9 percent discount if industry practice, driven by a major shift in market conditions, should change.

(B) The cash price shall be established twice a year, once on January 1st and then on July 1st, by the FDOT and approved by the County. FDOT will survey the market rate for limestone rock of the type being extracted from OPF-West and being sold by other vendors in the geographical area of Miami-Dade, Broward, and Palm Beach Counties and in conjunction with MDAD and the company shall establish the cash price. Should Changes in local market conditions make it desirable to adjust the cash price more frequently than twice a year, the Department will survey the local market data and, if warranted establish an adjusted cash price with the approval of the County.

(C) Although MDAD intends in general to purchase the limestone rock for airport projects at the then-current selling price less any then-applicable discount, MDAD shall have the right for specific airport projects to purchase such rock for itself or through its contractors at the extraction rate plus applicable extraction company fees and sales taxes.

8. REIMBURSEMENT The parties agree that upon approval of this agreement by the Miami-Dade Board of County Commissioners, the County shall, upon providing a copy of the relating invoice and receipt(s), reimburse to FDOT the sum of seventy-four thousand six hundred sixty six dollars (\$74,666.00). Such sum was expended by FDOT in order to include OPF-West in a required Supplement Environmental Impact Statement associated with the analysis of rock mining in the Lake Belt region.

9. INSURANCE. The parties shall determine an appropriate level of insurance that shall be required of the extraction/sales company or applicable to the extraction and sales process.

10. Each party agrees to proactively resolve issues arising out of this Agreement in a timely manner. The parties agree that the FDOT Secretary's decision shall be final and binding upon all affected parties, provided such decision is within the requirements of this Agreement.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Venue shall be in Miami-Dade County.

12. If any part of the Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction or by any other legally constituted body having the jurisdiction to make such determination, the remainder of the Agreement shall remain in full force an effect provided that the part of this Agreement thus invalidated or declared unenforceable is not material to the intended operation of this Agreement.

13. This Agreement represents the entire agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein. Any

modification, amendment, or alteration in the terms of this Agreement will not be valid unless reduced to writing and duly executed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized representatives thereof.

MIAMI-DADE COUNTY

FLORIDA DEPT. OF TRANSPORTATION

By: _____

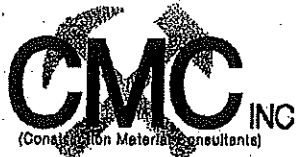
By: _____

ATTEST:

ATTEST:

Harvey Ruvin
Clerk

Deputy Clerk



MINING & MINERAL APPRAISAL, BROKERAGE AND CONSULTING

June 29, 2007

CMC Project # S093-01

Andrew H. Magenheimer, MAI
Slack, Johnston & Magenheimer, Inc.
7300 North Kendall Drive, Suite 520
Miami, Florida 33156

Hardcopy to Follow By Mail

**RE: EXECUTIVE SUMMARY
OPA-LOCKA WEST AIRPORT
MIAMI-DADE COUNTY, FLORIDA**

Dear Mr. Magenheimer:

Per your request, CMC, Inc. (CMC) has prepared the following Executive Summary to our published report on the above referenced property, entitled "*Self Contained Evaluation And Appraisal Report Of Opa-Locka West Airport Limestone Property, Miami-Dade County, Florida, As Of June 1, 2007*", and dated June 29, 2007.

Executive Summary

The Opa-Locka West Airport (Subject Property), under ownership of the Miami-Dade Aviation Department (MDAD), consists of approximately 422.02 acres of land located northwest of downtown Miami, in Miami-Dade County, Florida.

The Subject Property is also located within the "Lake Belt Mining District", which is a large, localized area west of downtown Miami that was originally reserved to be utilized primarily for mineral resource (limestone/limerock) extraction by mining companies, to supply the greater Miami-Dade area by road, and other areas of Florida by rail.

CMC, Inc. (CMC) is a full service mining & mineral appraisal, brokerage and consulting firm, which specializes in construction materials and industrial mineral commodities, properties and operations. Consulting services were requested to determine if the Subject Property had potential as a mineral property, and appraisal services comprising of five (5) appraisal scenarios were requested to help MDAD understand the logistics/options available.

The Subject Property is not permitted for mining, but is located adjacent to a mined out quarry and a mining property immediately to the east. A one (1) year permitting period was presumed under the Aggressive Scenarios, and a two (2) year permitting period assumed under the Conservative Scenarios.

Subsurface site investigations (eight (8) borings to depths of between 75 to 100 feet below ground surface) were installed in April 2007, with field samples being composited and processed to simulate mining of the mineral reserves. Analytical testing confirmed that materials processed from the Subject Property pass major tests for coarse aggregates and base materials, in accordance with Florida Department Of Transportation specifications.

CMC utilized the data collected from the subsurface site investigations to prepare an accurate mineral resource estimate, with approximately 44,627,600 tons of limestone mineral resources available under Scenarios 1,2,4 & 5, and 50,387,900 tons of limestone mineral resources available under Scenario 3.

Field research was conducted to determine royalties and prices currently paid for limestone products (aggregates and base). Market demand analyses were conducted to determine the supply/demand of the limestone products and market shares.

Market analyses indicated that the market share for a new limestone producer would range between approximately one (1) to three (3) million tons per year. CMC's appraisal scenarios restricted sales to a maximum of 2.5 million tons per year under the Aggressive Scenarios, and 2.0 million tons per year under the Conservative Scenarios.

CMC's appraisal addressed five (5) scenarios, to address all viable options as a mineral/mining (limestone) property, as follows:

1. Appraisal Scenario 1: Mineral Interest Appraisal of the Subject Property, on a Royalty Income Basis, assuming conservative appraisal parameters.
2. Appraisal Scenario 2: Mineral Interest Appraisal of the Subject Property, on a Royalty Income Basis, assuming aggressive appraisal parameters.
3. Appraisal Scenario 3: Mineral Interest Appraisal of the Subject Property, on a Royalty Income Basis, specifically to White Rock Quarries.
4. Appraisal Scenario 4: Mining Interest Appraisal of the Subject Property, on a Mining Income Basis, assuming conservative appraisal parameters.
5. Appraisal Scenario 5: Mining Interest Appraisal of the Subject Property, on a Mining Income Basis, assuming aggressive appraisal parameters.

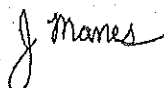
Net Royalty Income is not discounted to account for risk/time, and is equivalent to the "Cash Flow" that MDAD could receive over time. Net Present Value is discounted to account for risk/time and represents the current Net Present Value of the Mineral Interest, if it were to be sold today.

The results of the Appraisal Scenarios were as follows:

Scenario	Type	Parameter	Discount Rate	Net Present Value (NPV)	Net Cash Flow	Time (Years)	Commencement of Cash Flow
1	Royalty Income	Conservative	9.00%	\$21,702,300	\$76,965,200	24	June 1, 2009
2		Aggressive	11.25%	\$27,806,800	\$95,744,500	20	June 1, 2008
3		Special	9.00%	\$37,952,800	\$113,153,300	21	June 1, 2008
4	Mining Income	Conservative	14.0%	\$40,960,000	\$246,518,500	24	June 1, 2009
5		Aggressive	17.5%	\$91,077,400	\$473,222,300	19	June 1, 2008

If you have any questions, please feel free to contact me at (480) 443-3978. Thank you.

Sincerely,



John J. Manes, P.G.
Executive Vice President
Senior Geologist

Cc: Miguel Southwell, Miami-Dade Aviation Department
Greg Owens, Miami-Dade Aviation Department
Manny Gonzales, Miami-Dade Aviation Department

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